BEFORE THE OFFICE OF TAX APPEALS

STATE OF CALIFORNIA

IN THE MATTER OF THE APPEAL OF,	
M. MASSOUD,	OTA NO. 240716836
APPELLANT.	

TRANSCRIPT OF ELECTRONIC PROCEEDINGS

State of California

Thursday, August 20, 2026

Reported by:
ERNALYN M. ALONZO
HEARING REPORTER

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IN THE MATTER OF THE APPEAL OF, M. MASSOUD, APPELLANT.	OTA NO. 240716836

Transcript of Electronic Proceedings, taken in the State of California, commencing at 9:00 a.m. and concluding at 11:31 a.m. on Thursday, August 20, 2026, reported by Ernalyn M. Alonzo, Hearing Reporter, in and for the State of California.

APPEARANCES:

Panel Lead:	ALJ KEITH T. LONG
Panel Members:	ALJ STEVEN KIM ALJ HUY "MIKE" LE
For the Appellant:	M. MASSOUD JONATHAN ZANDI
For the Respondent:	STATE OF CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION AMANDA JACOBS CHAD BACCHUS JASON PARKER

I N D E X

E X H I B I T S

(Appellant's Exhibits 1-6 were received into evidence at page 12.)

(Department's Exhibits A-O were received into evidence at page 12.)

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California; Thursday, August 20, 2026

9:00 a.m.

JUDGE LONG: Good morning. Welcome to the Office of Tax Appeals.

We're opening the record in the Appeal of Massoud. OTA Case No. Is 240716836. This matter is being held before the Office of Tax Appeals. Today's date is August 20th, 2026, and the time is approximately 9:00 a.m. This hearing is being convened virtually. As a reminder, this hearing is being recorded and streamed, so anything that you say or show on screen can -- can be watched on the internet.

Today's hearing is being held by a three-member panel. My name is Keith Long, and I will be the lead Administrative Law Judge. Judge Mike Le and Judge Steven Kim are the other members of this tax appeals panel.

Judge Le is taking the place of Judge Sheriene Ridenour on this panel. Are there any objections to this substitution?

MR. ZANDI: No objection, Your Honor.

JUDGE LONG: Thank you.

MS. JACOBS: None from the Department.

JUDGE LONG: Thank you.

All three panel members will meet after the hearing and produce a written decision as equal participants. Although the lead judge will conduct the hearing, any judge on this panel may ask questions or otherwise participate to ensure that we have all the information needed to decide this appeal.

This hearing is being recorded and transcribed electronically. To ensure we have an accurate record, we ask that each person speaks one at a time and avoid speaking over one another. Additionally, when you are speaking, please speak clearly and loudly. When you are not speaking, I ask that you mute your microphones to avoid sound inference and other feedback. When needed, I or any panel member will interject to ensure proper transcription. After the hearing, OTA will produce an electronic transcript upon request.

As a reminder, the Office of Tax Appeals is not a Tax Court, it is an independent appeals body. The panel does not engage in ex parte communications with either party. OTA will issue an opinion based on the party's arguments, the admitted evidence, and the relevant law.

For the record, will the parties please state their name and who they represent, starting with the representatives for CDTFA.

MS. JACOBS: This is Amanda Jacobs. I'm an

attorney with the legal Department at CDTFA.

MR. BACCHUS: Chad Bacchus, attorney with CDTFA.

MR. PARKER: Jason Parker, Chief of Headquarters Operations Bureau with CDTFA.

JUDGE LONG: Thank you.

And for the Appellant.

MR. ZANDI: Jonathan Zandi, CPA. I'm representing Monica Massoud, the Appellant.

JUDGE LONG: Thank you.

And, Ms. Massoud, can you just please state your name for the record as well.

MS. MASSOUD: Yes. Monica Massoud.

JUDGE LONG: Thank you.

I am being informed that we lost one of our witnesses from this stream. What I will do is I'm going to continue through the issues to be heard this morning. And if they haven't come back, we'll go off the record so that, Mr. Zandi, you can contact them and see if they're going to be able to come back. Okay.

MR. ZANDI: Of course.

JUDGE LONG: All right. The issues in this appeal are whether Appellant may be held personally liable under R&TC section 6829 for the unpaid liabilities of Shah Abbas Corporation.

Mr. Zandi, did I get that right?

MR. ZANDI: Yes, that's correct.

JUDGE LONG: Thank you.

And CDTFA, is that your understanding of the issues as well?

MS. JACOBS: Correct.

JUDGE LONG: Thank you.

Okay. Well, our witness has not yet returned. So, what I'm going to do is go off the record for five minutes for Mr. Zandi to have the opportunity to contact them and see if they'll be coming back online. The livestream does not stop, so please mute your microphones and turn off your cameras, and we will see you at 9:26. Okay.

MR. ZANDI: Okay. Thank you.

(There is a pause in the proceedings.)

JUDGE LONG: So, now we are reopening the record in this appeal.

And you may ask your question.

MR. ZANDI: A quick question for the panel. May the third witness -- does the third witness have to be present during the entire hearing or can they only appear through their -- for when they're called to answer --

JUDGE LONG: The witness --

MR. ZANDI: -- my question.

JUDGE LONG: The witness does not need to appear

for the entire hearing. However, they do need to stay through the -- through their testimony, through any cross-examination by CDTFA, and also for questions by the appeals panel. So --

MR. ZANDI: Of course.

JUDGE LONG: -- it is -- it is a little bit of time. Generally speaking, all of those things occur after the witness presentation has occurred.

MR. ZANDI: Okay. May we have a moment off the record to check with the witness to see because they -- they may have a conflict with their schedule. They do have to -- they could not entirely take the time off of work. So --

JUDGE LONG: Sure. We're going to do another five minutes. We're running well behind schedule now. So, if -- if the witness can't rejoin us within the next five minutes, we're just gonna carry forward with the hearing.

MR. ZANDI: Of course.

JUDGE LONG: All right. We will go off the record and resume at 9:33.

(There is a pause in the proceedings.)

JUDGE LONG: Okay. We are reopening the record.

Mr. Zandi, was your witness able to -- will they be rejoining us?

MR. ZANDI: Your Honor, I believe not, but we can proceed.

JUDGE LONG: Okay. Thank you.

All right. Then moving forward, we have -- the current witness list consists of Ms. Massoud, Mr. Zandi, Bahareh Zargar, and Siavash Boulorian. I'm sorry I don't -- I don't know how to pronounce that name. Actually, I'm not sure if I pronounced anyone's name correctly. I apologize. But if I did get it wrong, please let me know. I want to have it correct.

Is that -- is that the correct witness list?

MR. BOULORIAN: Yes.

MR. ZANDI: Yes, Your Honor.

JUDGE LONG: Thank you.

Okay. Then we will swear in all of the witnesses right now. So, if you could please all raise your right hands.

MR. ZANDI: Your Honor, I may also be a witness. I'm --

JUDGE LONG: Yes.

MR. ZANDI: -- not sure. Yeah. So --

JUDGE LONG: Okay. So, everyone please raise your right hands.

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M. MASSOUD,

produced as a witness, and having been first duly sworn by the Administrative Law Judge, was examined, and testified as follows:

J. ZANDI,

produced as a witness, and having been first duly sworn by the Administrative Law Judge, was examined, and testified as follows:

SIAVASH BOULORIAN,

produced as a witness, and having been first duly sworn by the Administrative Law Judge, was examined, and testified as follows:

B. ZARGAR,

produced as a witness, and having been first duly sworn by the Administrative Law Judge, was examined, and testified as follows:

JUDGE LONG: Thank you.

Okay. Then we it will get to that testimony shortly.

Moving forward with exhibits. At the prehearing conference CDTFA provided Exhibits A through O -- oh, I'm

sorry -- CDTFA Exhibits A through O and Appellant's Exhibits 1 through 6 were discussed. And they are admitted without objection.

(Appellant's Exhibits 1-6 were received into evidence by the Administrative Law Judge.)

(Department's Exhibits A-O were received into evidence by the Administrative Law Judge.)

JUDGE LONG: A hearing binder was previously distributed to the parties. Did the parties have the opportunity to review the exhibit binder?

MR. ZANDI: Yes.

JUDGE LONG: Yes.

Ms. Jacobs? Okay. Was everything in order?

MS. JACOBS: Yes. Thank you.

JUDGE LONG: Thank you.

Mr. Zandi, everything looked good on your side?

MR. ZANDI: Yes.

JUDGE LONG: Okay. All right. This morning's hearing is intended to take approximately 120 minutes. Appellant requested 60 minutes for opening presentation and witness testimony, and you may begin when ready.

MR. ZANDI: Thank you, Your Honor and it may please the panel.

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PRESENTATION

MR. ZANDI: The core of this case in regards to Shah Abbas Corporation and Monica Massoud is whether if Monica Massoud could independently decide to pay Shah Abbas's -- to use Shah Abbas's funds to pay the CDTFA, or did she have to obtain Frank Javanshir's approval before making that payment. Our -- one of the core arguments in our case here is that Frank Javanshir, who is listed in all corporate titles as the owner of this company, as the CFO, as the sole secretary, that he was the true owner and the only owner of this restaurant, and he only had the authority to make payments. He had to delegate and give permission to anyone else if they were to make payments.

The controlling regulation in this case, Title 18 California Code of Regulations Section 1702.5 subdivision (b)(2) cap (B), the responsible -- responsible part -- sorry -- the responsible person had the authority to pay the taxes or to cause them to be paid on the date that the taxes came due and when the responsible person had actual knowledge as defined in a -- a responsible person who is required to obtain approval from another person prior to paying the taxes at issue and was unable to act on his or her own in making the decision to pay the taxes does not have the authority to pay the taxes or to cause them to be paid.

The last sentence of this regulation is the center of this case. Monica Massoud did not have any authority to make any payments without the permission of Frank Javanshir who is the actual owner and listed with every corporate title in this company. So, the regulation expressly distinguishes the ability to carry out a payment and the authority to decide that the payment will be made. A core question for the CDTFA is where is the CDTFA's evidence that Monica could have said without asking Frank Javanshir, "I'm paying California $20,000 today instead of paying vendors, rent, entertainers or payroll." And that is the authority that the regulation requires.

Moving onto responsible person. Title alone is not -- title alone is expressly insufficient. The Department's brief repeatedly cites job titles to claim that the Appellant have the authority to remit tax payments. California Code of Regulation section 1702.5 subdivision (b)(1), responsible person. the -- as you see here in the term, responsible person means any officer, member, manager, employee, director, shareholder, partner, or other person having control or supervision of or who is charged with the responsibility for the filing of the returns or the payment of tax, or who has a duty to act for the corporation, partnership, limited partnership, limited liability partnership, or limited liability

company in complying with any provision of the sales and use tax law.

The fact that a person possesses any of the aforementioned titles in and of itself is not sufficient to establish that the person is a responsible person. So even if assuming for the sake of argument that Monica had some corporate title, the Department's own regulation expressly says possession of the title standing alone is not enough. However, in the Department's brief, they -- they say that Monica Massoud is listed as an officer. Unfortunately, that's not true.

Question for the panel, may we reference -- may we reference exhibits right now or is that to come later? Is this the --

JUDGE LONG: Yes, you can reference your exhibits throughout your presentation.

MR. ZANDI: Okay. So, referencing Exhibit 1 from the Appellant's exhibits -- I can just give a moment for everybody to pull that up.

So, if we look at Exhibit 1 Statement of Information, Farshad Javanshir -- Farshad is the alias for Frank -- he is listed as chief executive officer, secretary, chief financial officer. He's additionally listed as -- online 9 -- online 9 he's listed again as an officer, and this is signed by Frank -- by Farshad

Javanshir.

Going to the second page of Exhibit 1, we have a no change statement which signifies that there's been no changes to the Statement of Information that was previously filed, which shows Farshad Javanshir listed as the sole officer holding multiple roles. And in -- and in this case, it seems like we have a -- Monica Massoud's name signing the statement with the title -- with the title SCE, which is not clear what that is. You may say that that's the secretary but however, page 1 of this exhibit shows Farshad Javanshir as the secretary, and this page 2 shows there's been no changes. So, we -- we don't even have any clear evidence of a corporate title for Monica Massoud. However, even if we did, the Department's own regulation says that the possession of the title standing alone is not enough.

Moving on, I'd just like to clarify this quickly. Farshad Javanshir may be also interchangeably referred to as Frank Javanshir. I don't -- I don't believe there's any contention about this. We have Exhibit 2, which lists a people -- a person's report that we pulled that shows information about Farshad Frank Javanshir, and this confirms with the last -- with his date of birth, the last four of his social, Farshad Frank Javanshir. So, sometimes he may be referred to as Frank. Sometimes he

may be referred to as Farshad, but that is the same person. That is -- that is the owner of Shah Abbas Corporation, or was the owner before they closed down and started a new company.

Another point that the -- that the Department brings up is assigning checks. The CDTFA emphasizes that hundreds of checks were signed by Monica. But we ask then what do these checks prove? They establish that Monica had the mechanical ability to sign a check. However, that standing alone does not establish who selects the creditor; who decides the amount; who determined whether there was sufficient money available to pay; who determined which creditors received priority; who decided whether taxes would be paid; and whether Monica could make any of those decisions without Frank's authority; and whether Monica needed Frank's prior approval or not. The regulation does not ask whether Monica's signature could appear on the check. It asked whether she had authority to decide what taxes would be paid. We -- we hold, and as the testimony will also show by Monica Massoud and the witnesses, she did not have this authority -- she did not have this authority.

She had to get permission for any payments that were made. She did not have any shares in this company. She did not have any ownership. She had no corporate

titles. She was, as her testimony will later show, which will show more details, she was just a manager at this restaurant who was following Frank's authority and following his control and listening to him on what to do, which specifically -- especially includes whether or not something could be paid.

Moving to the next point regarding -- regarding the evidence. The CDTFA has several statements that are filed, several -- several exhibits. We -- from the statements that are -- there are multiple hearsay statements. We do understand that the Office of Tax Appeals can consider hearsay statements. However, none of these individuals whose alleged statements that the CDTFA relies on, none of them are appearing to testify today. None of these individuals are subject to cross-examination by the Appellant or by their representative. Their historic -- their purported historical statements, which we don't even know the accuracy of them, none of them were under oath. None, from our understanding, we don't see -- we don't know if the auditors recorded any of these statements, or how they interpreted these statements.

So, there's a question about how these questions were phrased? What exactly were the witnesses asked? What was the context of the answers? What does the witness understand responsible to mean? If I called

Monica, and I say, "Hey, are you responsible for the restaurant?" Is she serving plates or managing waitresses or waiters? She could probably say yes. What was the question that was actually asked of these witnesses? One of the bookkeepers, a third party bookkeeper, we called the bookkeeper ourselves. They didn't -- we believe Jose or Dennis is a third-party bookkeeper that the CDTFA refers to in their written records.

We -- we called this person ourselves. They seemed to not be able to even understand English. So, I'm -- I would be perplexed to even understand how they would understand what responsible party means, which is not the most complicated term if you just take it as a layman term. But when it's taken in a tax context, responsible party as we just discussed in Regulation 1702.5, it is much more complicated than a lay person will understand. Much -- much less now -- or much more now for a person who seems to not be able to communicate on a basic level of English.

The Department may place these records -- these documents into the records, but the admissibility does not determine weight. Nothing has been produced by the CDTFA to testify to the fact that Monica Massoud was personally observed to be independently -- have the ability to decide which creditors would be paid, and that she did not need

Frank Javanshir's approval. There is no evidence of that that she was able to act without Frank Javanshir's approval.

And we don't have the auditor here today from the CDTFA. We don't have the bookkeeper. We don't have the -- the purported employees that the CDTFA relied on. We have multiple testimonies and statements -- well not testimonies, but we have multiple statements that are hearsay statements, purportedly not made under oath, that the CDTFA has in their records. But none of these -- none of these people appear to be here today, and we don't see what the reason for that would be.

So, I'd like to just talk about unsworn party assertions. California Code of Regulations, this is an Office of Tax Appeals regulation, section 30214 subdivision(f)(5), after weighing the evidence, the panel may make any necessary factual findings in any opinion issued by OTA. A factual finding on any material, disputed facts shall not be based solely on unsworn statements made by a party during the appeal proceeding before OTA, such a statement -- such as statements contained in the party's brief or arguments made by an unsworn representative during an OTA oral hearing. So, to the extent that the CDTFA asks this panel to bridge gaps in its documentary evidence, Regulation 30214

subsection (f) subsection (5) expressly prevents a material disputed factual finding from being based solely upon these unsworn party statements.

The -- just give me a moment, please.

So, we again, assert that there is no -- there's nothing in the CDTFA record to show or prove that Monica Massoud had the independent authority to make payments without Frank Javanshir's approval. CDTFA relies on descriptions in some of their exhibits writing that Monica was, quote, unquote, "responsible." Monica, quote, unquote, "managed the restaurant." Monica, quote, unquote, "helped run the restaurant." Monica dealt with taxes. Monica signed checks. But responsible for what? Managed what? Had authority to do what? A person can be responsible for employees, scheduling, customer complaints, entertainment, communicating with accountants, communicating with the CDTFA without actually having the authority to decide what creditors would receive corporate funds or being able to remit those funds. So, nobody whose statement that the CDTFA relies upon was apparently asked the decisive question. Could Monica Massoud independently pay CDTFA without first receiving Frank Javanshir's approval? And this is the question that regulation 1702.5 subsection (2) -- sorry -- subsection (b) subsection (2) cap (B) makes material.

We'd like to also briefly mention a successor entity. So, this was a restaurant in Los Angeles bordering Beverly Hills and West Hollywood, if anyone is familiar with the area, that it was a Persian restaurant and apparently in the same exact location. And we have exhibits and witness testimony can further support that fact -- the same exact location in that -- in that exact -- in that building the same exact location where the Shah Abbas restaurant was there was -- Frank Javanshir was there when Shah Abbas was apparently closed, and they just reopened under the name Chell Sotoon. The successor -- a successor entity by itself doesn't really contend as a -- as a contravening evidence about a responsible party, but it does further support the fact that Monica Massoud had no control over the operations of this restaurant.

Monica Massoud claims that she had not been paid for several months. She -- she even though could sign a check, she didn't have the ability to pay herself. She was working in this place for free, a company that she had no shares, no ownership in, no ability to make any decision. So, when Chell Sotoon was closed -- or I'm sorry -- when Shah Abbas was closed, in that same exact location there was a new restaurant called Chell Sotoon.

And I'd like to just bring our attention to

Exhibit 4. So, Exhibit 4 is several screenshots from social media from various parties that show -- one of them February 29, 2020, a performing artist writes, "At Shah Abbas. Post-Valentine's Day performance at my favorite Persian restaurant. Thank you, Frank, for having me there on Saturdays. The place is called Chell Sotoon now by the way."

We don't see if -- if Monica had any percentage ownership or any control over this entity. Then the question is where -- where is she? Is she -- is she -- the testimony and evidence will show she had no involvement, no power over this company. Even though she wasn't paid for several months, they simply just closed and reopened the door. Even when the CDTFA throughout the -- throughout our initial appeals process, they would have had the power and ability to conduct a reaudit because it was our position that there were several -- several gaping holes in their argument, several -- several things that were just not matching up. So, we -- they -- they could have had opportunity to conduct a reaudit to re-interview these people.

During this time that we were appealing, Chell Sotoon was there. They could have walked into Chell Sotoon. They could have talked to Frank. They could have seen what's going on. They could have found out, with all

the powers and abilities they have, and found out and confirmed for themselves that Monica Massoud did not have the independent authority to make payments, and that it is -- was actually always Frank Javanshir that was the sole owner and had control over this enterprise. Just referencing the same Exhibit 4, the subsequent screenshots. There's various screenshots that are still -- page 3 of 4, one of these performers says, "Live and DJ music. Hope to see you all this Thursday, 30th and Friday 31st at Chell Sotoon." In parenthesis, he writes "Shah Abbas." So, if Monica had any power over the finances of this company, why -- why is -- how -- how do they open up a new entity, and she was not still paid for several months. She -- she was left without being paid.

Next page of this exhibit as well same thing. Shah Abbas, quote, unquote, "Chell Sotoon." So, we understand yes, a successor entity by itself doesn't -- by itself doesn't really talk about responsible party, but we bring this as supporting evidence to show that there was no control from Monica Massoud. She didn't have the ability to renegotiate this lease to reopen maybe to get back some of the money that she was owed. She had no power over the finances of this company. She had no power over the ownership of this company. This was all Frank Javanshir. And even multiple performers and various

comments on social media confirms this as well and/or witness testimony I believe will confirm this as well.

Multiple former employees will confirm the lack of authority to -- lack of authority. We noted this in our reply brief, and this is supported by the declaration as well that we filed from myself as the representative. We did interview multiple persons. Unlike the C -- unlike the CDTFA's brief, we have these people here today to testify under oath. Not all of them but at least two of them. But our interviews of all these people led to the same thing, that Monica Massoud did not have the authority to make payments. She had to ask Frank Javanshir for permission.

So, we'd like to conclude by just, you know, reemphasizing this Regulation 1702.5 that if a responsible party -- if a responsible person was required to obtain approval from another person, that -- that does not mean that they have the authority to pay the taxes, that they cannot be held as a responsible party. The CDTFA's evidentiary failures and arbitrary use of the word responsible is an attempt to shift this liability to a person who was just following orders from her boss, doing her job for some months unpaid, and doing the best she could do to just make a living and follow the instructions of a person who -- was actually the one who was -- the

only person, perhaps, responsible for paying these taxes.

So, we'd like to conclude our opening statement. We believe that the CDTFA has not met its burden of proof under Revenue & Taxation Code 6829. Monica Massoud lacked the authority to remit taxes. She did not act willfully, and she had no independent financial discretion within the meaning of California Code of Regulations 1702.5. The Department's case relies on ambiguous job titles, uncontextualized hearsay references to the word responsibility, and check signing activity that was performed only under the direction of the business's true operator, Frank Javanshir. It presents no direct evidence that the Appellant had discretionary control or financial authority. By contrast, the Appellant has a declaration and testimony now from multiple former employees and herself that -- that will confirm that she had to get the approval of Mr. Javanshir -- Mr. Frank Javanshir to issue payments, and that she lacked any role in tax compliance decisions.

As we stated earlier, the Department failed to investigate or reaudit despite receiving evidence of a successor entity operating under nearly identical conditions and ownership, having access to Frank Javanshir. These resources could have been spent on the Department getting these true answers instead of having

Monica Massoud fighting now just to clear her name for something that she was not responsible for.

So, for these reasons we are requesting that this panel respectfully grant this appeal in full and find that Monica Massoud was not a responsible party under Revenue & Taxation Code 6829.

We'd like to conclude our opening statement there.

JUDGE LONG: Thank you. And you may continue on with your witness testimony.

MR. ZANDI: Okay. May I have just a brief moment?

JUDGE LONG: Yes. Do you need to go off of the record? Do you need to go off of camera?

MR. ZANDI: Just off of camera for one minute.

JUDGE LONG: Okay. Then we do -- we're gonna close the record temporarily, and we'll go off camera for -- until 10:05.

MR. ZANDI: Thank you.

JUDGE LONG: And as a reminder, please mute your microphones when we are off the record.

(There is a pause in the proceedings.)

JUDGE LONG: We're going back on the record. Go ahead.

MR. ZANDI: Okay. Thank you, Your Honor. I

would like to call Monica Massoud to testify.

MS. MASSOUD: Okay.

MR. ZANDI: May I begin, Your Honor, with the questions?

JUDGE LONG: Yes.

DIRECT EXAMINATION

BY MR. ZANDI:

Q Monica, can you state your name again for the record?

A Yes. Monica Massoud.

Q Okay. And what did you actually do at Shah Abbas?

A I was a manager.

Q Did you own any shares at Shah Abbas?

A No.

Q Did you ever receive -- outside of your salaries, did you ever receive any extra distributions?

A No.

Q Who controlled this business financially?

A Frank Javanshir.

Q And what was Frank's role?

A Controlling everything and money and everything basically, the whole restaurant. Whatever I did, I reported to him or whatever he wanted me to do. He used

to tell me to do it.

Q Okay. Regarding how payments worked for Shah Abbas. When a bill arrived, what happened?

A It was on the register, on the computer, and then every night on the worksheet. We'd write down how much was the cash, how much was the credit, and then he used to come and pick them up.

Q And who decided whether that bill would be paid?

A Him.

Q Who decided when it would be paid?

A Him.

Q Sorry. When you say him, can you clarify?

A Yes. Frank Javanshir.

Q Okay. And who decided how much would be paid?

A Frank.

Q After Frank made that decision, what would you do?

A I can't -- I couldn't do anything. I had to wait for him to tell me what to do.

Q Okay. And you would -- you would physically prepare and sign the check?

A Sometimes, yes.

Q Could you decide to pay something without Frank's authorization?

A Never.

Q And what happened if Frank did not approve an expense?

A It wouldn't get paid. He would deal with it. It was not my problem.

Q Could you override him?

A Never.

Q Could you decide to send additional money to a vendor?

A No.

Q Could you decide yourself to pay the CDTFA?

A No. I didn't even know what's going on.

Q Could you choose to pay the CDTFA instead of rent, payroll, or vendors?

A No.

Q Regarding your compensation, were there periods in which Shah Abbas did not pay you?

A Yes --

Q Okay. And --

A -- for at least four or five months.

Q Okay. So, there were wages owed to you for work that you performed there?

A Yes.

Q Okay. And these -- and these wages owed to you was for the time that you spent working there; is that correct?

A Yes. Yes.

Q Okay. Okay. If you had unrestricted control over company funds and hundreds of signed checks which would demonstrate that control, why didn't you simply write a check to yourself for the money that you were owed?

A As I told you, Frank Javanshir was very strict about the money and financials. And if I would have do it, he will probably -- I don't know what would happen, but he never allow anything. And I was a good listener. I always follow. I needed my job. I did not have any choice. I didn't want to argue over something that was not my business. So, whatever he said, basically, I did and done. And in the end, I didn't get paid all as well.

Q So, it seems like, Monica, there's hundreds of signed checks. Some for amounts as low as a hundred dollars. Even those checks would require Frank's approval?

A Everything. Even this amount of money $10, $50, everything --

Q How would you?

A -- I always had to ask him.

Q How would you obtain Frank's approval?

A Most of the time calling him and texting him or email him. Any -- anyhow I could get ahold of him, or I

would -- he usually was checking the restaurant, from camera also, and he used to call every couple of hours to check how is everything or who is that guy or what this guy doing? Any how, even though when he was not there, it was controlling from home.

Q Okay. What would happen if you didn't listen to Frank?

A Probably would have fired me. I didn't try.

MR. ZANDI: Okay. We have no further questions for this witness.

JUDGE LONG: Thank you.

Before I move on to the next witness, does CDTFA have any questions for Ms. Massoud?

MS. JACOBS: No questions. Thank you.

JUDGE LONG: Thank you.

I just want to check with my co-panelists.

Judge Kim, did you have any questions for Ms. Massoud?

JUDGE KIM: Not at this time. I'm going to wait for everyone's testimony.

JUDGE LONG: Thank you.

Judge Le, do you have any questions for Ms. Massoud at this time?

JUDGE LE: Also not at this time. Thank you.

JUDGE LONG: Thank you.

And I'm going to reserve my questions for the end as well.

Mr. Zandi, you may call your next witness.

MR. ZANDI: Yes. I'd like to call Mr. Boulorian, please.

MR. BOULORIAN: Good morning, everyone.

Good morning, Your Honor.

MR. ZANDI: We just lost your video for a second. We could hear you, but your video is gone.

MR. BOULORIAN: Hold on one second. Let's see.

MR. ZANDI: Now you're back.

MR. BOULORIAN: You have my voice?

MR. ZANDI: Yes.

MR. BOULORIAN: Okay. Good morning, everyone.

MR. ZANDI: Good morning.

DIRECT EXAMINATION

BY MR. ZANDI:

Q Mr. Boulorian, can you state your name for the record?

A Siavash Boulorian.

Q And what was your role at the Shah Abbas Corporation, at the restaurant?

A I was manager as well.

Q Okay. Do you recall which years you worked

there?

A I was on and off, 2008, 2009. I was there also 2011 and until they -- this guy -- excuse my language -- Frank Javanshir was getting more and more involved inside the restaurant, and I decided to just move on.

Q Okay. What were your responsibilities for the restaurant?

A Managing the restaurant, mostly with the back of the house and customers as well, all the orders -- to make the orders for the restaurant.

Q Were you familiar with any of the interactions between Monica Massoud and Frank Javanshir?

A Pretty much.

Q Okay. Do you have -- are you aware that Monica Massoud had to get permission from Frank Javanshir to make payments?

A Oh, yes. The -- a lot of time. Actually, there was days that I was only present at the restaurant and these vendors they come -- used to come with the past due invoices, and I said they have to -- I can't -- I have no right to do anything, but you have to ask Monica, and Monica asked Frank. He wouldn't give any permission to pay these vendors.

Q Okay. And how did you know that Frank would not give the permission?

A Because I was present. There was the times that me and Monica we both were in the restaurant at the same time, and we -- we used to call him together, actually, on speaker phone and ask, these guys are here. They want their money, and he wouldn't allow us. Or if he did, he would allow us to do like 20 percent of their PLO and stuff.

Q Was Monica allowed to make any payments without Frank's permission?

A Not at all.

Q And what is your understanding of what was Monica's role at the restaurant?

A We both were manager at the restaurant, so we shared the times in a week. And there was days that the restaurant was doing -- it was a peak days, and we both were at the restaurant at the same time.

Q Okay. And do you ever recall Frank denying Monica the ability to make any payments?

A Yes. Yes.

Q Okay. And -- and how would that denial look like? How -- how would you learn about that denial?

A Well, the -- he -- he -- he used to stop by mostly on Saturdays when the restaurant is really busy, and we asked him his bills are past due, and we need to pay them, but he always denied. He always denied and

said, "Right now I don't have money. We don't have any funds for these bills."

Q Okay. And sometimes he would give permission for some things?

A Small things. Very little. Little small things he let Monica to write the check for them.

Q Okay. You said sometimes these conversations happened on speaker phone?

A Yeah.

Q And you would hear Frank giving his permission for payments?

A I was -- I was stand by near the phone but on the small -- only small amounts. Anything that would pass, I would say, couple of hundred dollars, five hundred dollars he would right away say no.

Q Okay. These discussions that would happen on speaker phone, the -- the subject of payments would come up; is that correct?

A Yes. I was witness and standing by.

Q And you -- do you understand -- did you understand it that Monica was asking Frank for permission for these payments?

A Yes. Anything. Anything. Any type of payments she has to have -- ask Frank for the making a payment.

Q So last question. Did Monica Massoud from --

based on your knowledge, have any ability to make any payments without Frank Javanshir's permission?

A None.

MR. ZANDI: Okay. No further questions, Your Honor, for this -- for this witness.

JUDGE LONG: Thank you.

And does CDTFA have any questions for this witness?

MS. JACOBS: We do have one question.

JUDGE LONG: Okay. Go ahead.

CROSS-EXAMINATION

BY MS. JACOBS:

Q Could you please clarify what -- at what point you were involved in the restaurant that you're -- the timing?

A Yes. Me and Monica we used to share the week make a schedule between us. And then on the peak days, the restaurant that was really, really crowded and busy, so we both being present at the restaurant; mostly on Saturday nights.

Q I'm sorry. I wanted you to clarify the years that you were working at the restaurant?

A Oh, I worked there at 2008, 2009, and then I was also working at 2011 and beginning of2012 well.

Q Okay. So you weren't working at the restaurant in 2014, 2015, 2016, 2017, 2018, 2019?

A At the Shah Abbas restaurant, no.

MS. JACOBS: Okay. Thank you. No further questions.

JUDGE LONG: Thank you.

And checking in with my co-panelists.

Judge Kim, do you have any questions?

JUDGE KIM: No questions. Thank you.

JUDGE LONG: Thank you.

Judge Le, do you have any questions?

JUDGE LE: No questions. Thank you.

JUDGE LONG: Thank you. And I'll reserve any further questions for the end as well.

Mr. Zandi, you may call your next witness.

MR. ZANDI: Yes. I'd like to call -- thank you, Mr. Boulorian.

I'd like to call Bahareh Zargar, please.

MS. ZARGAR: Hi.

MR. ZANDI: Hello, Bahareh.

MS. ZARGAR: Hello.

MR. ZANDI: Good morning. Thank you for your time today.

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DIRECT EXAMINATION

BY MR. ZANDI:

Q Can you state your name for the record, please?

A Bahareh Nakosh [sic] Zargar.

Q Thank you. And did you work at the Shah Abbas --

A Yes.

Q -- Corporation?

A Yes. I'm working 2015 until 2019.

Q Thank you. And what was your role at the restaurant?

A Manager.

Q Okay. And what would you do as manager at the restaurant?

A I take all the reservation, anything that we need I let -- I have to tell Monica, and she'd fix it with the Frank because we were -- everybody will have to wait for the Frank to approval. We do everything.

Q Okay. And when you were working there, Monica Massoud was also there?

A Yes.

Q Was Frank Javanshir also there?

A No. We have -- no. He's not coming. He's coming sometimes.

Q Okay. But he would present occasionally at sometimes?

A Hm-hm.

Q Okay. As far as -- were you aware of how vendor payments were handled?

A Anything we need, we have to ask from Frank.

Q Okay. Did you ever see anything of the communications between Monica Massoud and Frank Javanshir?

A Yes.

Q Okay. And how did you see these communications? Were they by phone or were they in person?

A I saw both of them at some -- more phone.

Q Okay. So when it was on phone, sometimes you would see -- you would witness Monica Massoud was talking to Frank?

A Yes.

Q And how would you learn about this? How -- how would you know she was talking to Frank?

A Because I told her you have to talk to the Frank. We need this. We need that. We have a party at night, we need the alcohol. Anything that we need, we have to fix it with him, and he told us go to buy this, that, and that's why.

Q Okay. And so then when something had to be paid, did you see or witness Monica Massoud asking Frank?

A Yes.

Q Did you ever see -- did you ever see or witness

Frank Javanshir declining to pay something?

A Yes.

Q Did you -- did you know if Monica Massoud ever had the power to make payments without his permission?

A No.

Q And how did you know that?

A Because sometimes I need money -- or for by myself I ask, and she ask Frank. He said not right now. You have to wait until from day or he ignore. He ignores. That's why.

Q Did Monica Massoud ever tell you that she needs Frank's permission to make a payment?

A Yes.

Q Was it your understanding that Monica Massoud needed permission from Frank Javanshir to make all payments?

A Yes.

MR. ZANDI: Thank you, Your Honor. I have no further questions.

JUDGE LONG: Thank you.

CDTFA, do you have any questions for this witness?

MS. JACOBS: We do not. Thank you.

JUDGE LONG: Thank you.

I do have a question regarding the payments,

Ms. Zargar.

MS. ZARGAR: Yes.

JUDGE LONG: You witnessed Ms. Massoud asking for permission to make payments. It seemed like the questions were focused on payments to vendors specifically. Did you ever witness Ms. Massoud ask permission to pay tax liability and whether that was specifically denied by Mr. Javanshir.

MS. ZARGAR: As always, yes. All the year end of the year, she fix everything, and she send it to the Frank because I write it every night everything for the -- I give it to Monica, and Monica she send it to the Frank for the end of the year.

JUDGE LONG: Okay. And with respect to the quarterly sales tax payments, was that similar?

MS. ZARGAR: Anything we sell it, we write it, and we send it to the Frank.

JUDGE LONG: Okay. And, Judge Kim, do you have any questions for the witness?

JUDGE KIM: What did you send to Frank? Can you explain that a little bit more?

MS. ZARGAR: Okay. Every night we write it every selling or any -- we give it to someone, buy the something we have to write it, okay. And we write it for all the year. And end of the year, we fix everything, and we send

it to Frank for the taxes, for the everything. We all the how -- how much we sell it all the year, how much we buy that for the alcohol, how much we send it to the Frank for the taxes.

JUDGE KIM: Do you know if the restaurant had an accountant that handled the --

MS. ZARGAR: Yes.

JUDGE KIM: -- sales and use tax --

MS. ZARGAR: Every night because we working and we close the register, right, we have to write it. We send it to Frank, and Frank have to send it to the accountant.

JUDGE KIM: And when would -- well, okay. Thank you.

I guess I have a question for Ms. Massoud if that's okay.

JUDGE LONG: Yeah. Go ahead.

JUDGE KIM: So, would the accountants -- the restaurant's accountant reach out to you regarding the payment of sales taxes?

MS. MASSOUD: No, I used to as what she said. Every night we used to write down the sales sheet and all the sales, credit cards, we paid out everything. And he used to come and pick it up, or we dropped it off to him. And from then, that it was his responsibility. I did not

have anything. My responsibility, it was just that. None more than that.

JUDGE KIM: Okay. So, if the accountant didn't tell you about the sales tax, then when did you have these conversations with Frank about -- about how much tax to pay or when to pay the tax?

MS. MASSOUD: I used to -- I used to receive the mails, and I used to give it to him and he used to discuss it that oh my God, this is too much. This is crazy, and I just regular general talking. That's all. That's how I knew.

JUDGE KIM: Okay. Other than these conversations, did you -- do you have anything in writing where you're asking Frank for his authorization to pay sales taxes?

MS. MASSOUD: Not anymore, unfortunately because I moved from LA, and I didn't have any -- 9, 10 years, and I don't have anything, you know, to provide. I didn't think I would need to keep anything. So unfortunately, no, I don't have any.

JUDGE KIM: Okay. Thank you.

MS. MASSOUD: Sure.

JUDGE LONG: Judge Le, do you have any questions for Ms. Zargar?

JUDGE LE: No, questions. Thank you.

JUDGE LONG: Thank you.

Ms. Zargar, thank you for your testimony.

I do have a few questions for Ms. Massoud. Just bear with me. Let me pull up my notes here. So, regarding your title, I understand that you're arguing that you were just an employee, and I understand the Secretary of State filings and your position with respect to that. But I wanted to ask regarding the Tobacco Retailers Information and the LA tax documents that were filed with your name identifying you as president in that -- that can be seen on pages 279 through 286 of the hearing exhibit binder. It shows that you are the president of the corporation during -- during those times. Do you have any sort of explanation for -- for that?

MS. MASSOUD: I have not have any idea. It might be sometimes Frank was out of the country. He was not there personally, and he would ask me to do something. But I don't remember that specific things that you're asking me regarding this period as secretary, but it could have happen, yeah. It might happen and that I did because he was not present at the time.

JUDGE LONG: Okay. But if -- if you were just an employee, why would they be identified -- why would they state that you're the president when they were filed, when you did it?

MS. MASSOUD: I have no idea, sir.

JUDGE LONG: Okay. And then I also have -- we have -- if you look at pages 268 and 279 of the exhibit binder, there were two phone conversations on March 25th, 2015, and March 26th 2015, and they're recorded. They're documented by the auditor, conversations with you discussing making an appointment to come into a CDTFA office, or at the time it would have been Board of Equalization office, and make payments. Specifically, to bring in a payment in person as well as a voided check for a future payment, and then on the 25th and then on the 26th confirming that whether you should go in to make a payment. Do you have any sort of explanation? Did you have to ask Mr. Javanshir for -- for permission to make those appointments?

MS. MASSOUD: Yes, of course. I cannot -- I couldn't do anything, sir, without his permission. He was very strict and kind of rude as well. So, I didn't want to get involved too much. And if he would tell me or give me the money or tell me that you should do it, yes. But if he didn't, I don't do anything. I didn't do anything.

JUDGE LONG: Okay. And then there's some sort of conflicting information in the briefing, and I just want to be clear. Mr. Javanshir was your former spouse, is that correct?

MS. MASSOUD: No, it was -- we were dating back then.

JUDGE LONG: You were dating. Okay.

MS. MASSOUD: Thirty years ago.

JUDGE LONG: Thirty years ago.

MS. MASSOUD: Yes.

JUDGE LONG: That would have been the 90s?

MS. MASSOUD: Yes.

JUDGE LONG: Okay. And then so by the time that we're talking about for this appeal, you were just an employee?

MS. MASSOUD: Yes. Because we were separated and on our way, and I was married with my husband. So, we both were there.

JUDGE LONG: Okay. And then I have that you left the company, if you look at page 269 -- sorry -- 270 I want to say of the exhibit binder, a follow-up conversation that occurred in June 2019 that you left the company 10 months prior. So, that would have been August 2018; is that correct?

MS. MASSOUD: I think exactly it was on Halloween.

JUDGE LONG: Halloween.

MS. MASSOUD: Before Halloween, yeah. Something --

JUDGE LONG: Okay.

MS. MASSOUD: -- around that. I don't exactly remember, but I remember it was that -- toward that week.

JUDGE LONG: Okay. Great. Thank you. I don't have any further questions at this time.

Judge Kim, Judge Le, do you have any further questions?

JUDGE KIM: I just had one more question.

So, Judge Long mentioned those conversations or -- or those communications between you and CDTFA. At that time why didn't you say anything about having to check with Mr. Javanshir for making any payments or dealing with any sort of payments or --

MS. MASSOUD: Because before -- because before I do that, any arrangement or talking I had the permission from him because they were calling at the restaurant. They were sending mail. So, I had the permission from him to do that that day or that time or that appointment that they're saying I made.

JUDGE KIM: Okay. Also there's some notes in the record about -- or from your father speaking with CDTFA stating that you were responsible for running the business. Can you -- do you have any statements or explanation for that?

MS. MASSOUD: My -- my father he is almost

90-years-old. He does not hear very well. He does not see very well, and he never did that, and I don't recall that. And, you know, I don't know who used him to say something like that, but I -- he never -- he told me he never did such a thing. So, I don't know. That's -- that's a lie.

JUDGE KIM: Okay. And just to clarify. Do you remember when your father stepped away from the business, and you -- you started to help with it?

MS. MASSOUD: My father left there about 2002 or 2003.

JUDGE KIM: Okay. And in between the time that he left and before the record shows that Mr. Javanshir became an officer, were you the one that was running the business?

MS. MASSOUD: I was not at that time he got there. But after a year or so, he asked me to join him to help him with the restaurant, so I accepted, but not right away. It was not just a right away thing. I was working back then.

JUDGE KIM: Okay. Thank you.

MS. MASSOUD: Thank you.

JUDGE LE: I had one quick question for Ms. Massoud.

MS. MASSOUD: Yes.

JUDGE LE: Turning to Exhibit 1, page 2, that says Secretary of State information page. Did you submit that? I see your name at the bottom.

MS. MASSOUD: No, I don't remember. I don't think so. I don't know. Which one you're talking about? The -- can you repeat it?

JUDGE LE: Yes. Exhibit 1, page 2.

MS. MASSOUD: Okay. What was the question?

JUDGE LE: Were you the one who submitted that Statement of Information?

MS. MASSOUD: I don't remember that. Maybe Mr. Zandi know better.

MR. ZANDI: May I make a comment? I'm not sure if Monica Massoud has these -- has these exhibits in front of her. There's -- there's hundreds of pages. Do we have the --

MS. MASSOUD: I don't have them.

MR. ZANDI: -- opportunity to live stream to show that, so -- so she can accurately maybe try to recall from the reported.

JUDGE LONG: Mr. Zandi, we -- we generally don't show exhibits on the stream because it is being steamed to YouTube. However, you know, if -- if she doesn't have those documents in front of her, you do have the opportunity to email them to her so she can open them up

if you'd like to do it that way. If you'd like some time to do that, we can certainly give you additional some time off the record here to --

MS. MASSOUD: Yes, please. I want him to -- Mr. Zandi to email it for me. So, if you give me a time to look at my email, that would help a lot.

JUDGE LONG: Okay. So, we'll take a five-minute break.

MS. MASSOUD: Sure.

JUDGE LONG: And we'll be back on the record here at 10:42. So for now, the record is closed. Please turn off your cameras and mute your microphones, and we will resume at 10:42.

(There is a pause in the proceedings.)

JUDGE LONG: Let's reopen the record. It's 10:44.

MS. MASSOUD: Okay.

JUDGE LONG: Ms. Monica Massoud, did you -- now that you've had a chance to review that Appellant's exhibits which include the Secretary of State Statement of Information, did you want to --

MS. MASSOUD: Yes, I saw that.

JUDGE LONG: -- revise your answer?

MS. MASSOUD: I saw that. I don't remember exactly what was it or what it was. Frank was giving me

the permission to go take care of that. I don't remember what was exactly. So when I went there, they asked me what's your name, first name and last name. They didn't ask me am I secretary or I'm anybody, so I didn't write anything except my name and my last name to -- and I don't know it was a renewal, or I don't know remember what was it, you know. And I think that's the one I told you that Frank was not there, so I had to get the permission. I told you earlier. So, that's the best I can remember.

JUDGE LE: Thank you. And what does -- what does the title SEC mean to you?

MS. MASSOUD: I have no -- I don't know. What is it?

JUDGE LE: But you -- I think you said it. Were you the one who submitted this Statement of Information?

MS. MASSOUD: Yes. The -- the letter that you're talking about that my name was on it?

JUDGE LE: Yes.

MS. MASSOUD: Yes. What did you want me to say?

JUDGE LE: I'm just confirming that you were the one who submitted this Statement --

MS. MASSOUD: Yes. Yes --

JUDGE LE: -- of Information.

MS. MASSOUD: Yes, I did that. Yes.

JUDGE LE: Okay. Thank you. No further

questions.

MS. MASSOUD: Thank you.

JUDGE LONG: Okay. Thank you.

All right. I don't have any further questions. I don't have any further questions for the witnesses. If CDTFA doesn't have any further questions for the witnesses, I'd like to excuse Ms. Zargar and Mr. Boulorian.

CDTFA, did you have any objections to that?

MS. JACOBS: We do not.

JUDGE LONG: Okay. Mr. Boulorian and Ms. Zargar, thank you very much for your testimony, and I hope you have a great rest of your week. You may exit the hearing, if you would like.

MR. BOULORIAN: Thank you, Your Honor.

MS. ZARGAR: Thank you so much.

MS. MASSOUD: Thank you.

MS. ZARGAR: Bye.

JUDGE LONG: Ms. Massoud, you stay. You stay.

MS. MASSOUD: I am here. I just said bye to them.

JUDGE LONG: Okay. Okay. Good.

All right. Well then, let's move forward with the oral hearing.

CDTFA, you requested 30 minutes to make your

presentation, and you may begin when ready.

MS. JACOBS: Thank you.

PRESENTATION

MS. JACOBS: The primary issue in this appeal is whether Appellant is personally liable for the unpaid sales and use tax liabilities of Shah Abbas Corporation doing business as Shah Abbas restaurant for the period of October 1st, 2014, through August 12th, 2019. The Department maintains its position that the Appellant is liable as responsible person pursuant to Revenue & Taxation Code Section 6829 for the unpaid liabilities of Shah Abbas for the liability period.

As you're aware, four elements must be met to impose personal liability under section 6829: One, the corporation must be terminated; two, the corporation must have collected sales tax reimbursement on its retail sales of tangible personal property or TPP; three, the person must have been responsible for the payment of the sales and use tax; and four, the person's failure to file must have been willful. All four elements are in dispute.

As to the first element, whether the corporation was terminated, the Department called the bookkeeper for Shah Abbas, Mr. Jose Ordonez on August 30th, 2019, who informed the Department the business had closed on

August 12, 2019; Exhibit A, page 16. The Department verified, via the California Secretary of State website, that the business's status was suspended; Exhibit A, page 17. Therefore, the Department closed Shah Abbas's seller's permit, effective August 12th, 2019. Appellant has contended that the restaurant never terminated but continued to operate under a different name Chell Sotoon Grill. While Appellant insists that Chell Sotoon operates under the same business model and location as Shah Abbas, the fact that the Department closed Shah Abbas's seller's permit, in effect, terminated the business. Chell Sotoon does operate at the same location, but under a different permit number.

Furthermore, while Appellant insists that Chell Sotoon continued operating after the liability period under the direction of Mr. Javanshir, the business's January 2018 Statement of Information shows Appellant as the sole officer. This is corroborated by her statement to the Department on February 7th, 2018, in which Appellant told the Department that Mr. Javanshir was no longer an officer; Exhibit A, page 40. Based on this evidence, the first element is satisfied.

As to the second element, personal liability can be imposed only to the extent the corporation collected sales tax reimbursement on its sales of TPP in this state

but failed to remit the tax to the Department when due. Revenue & Taxation Code section 6829(c) and Regulation 1702.5(a). The following evidence shows that Shah Abbas collected sale tax reimbursement on its sales of TPP. The responsible person questionnaire dated December 17th, 2021, completed by Appellant's father and the original owner and president of Shah Abbas, Ahman Massoud, states that tax was included in the business's sales; Exhibit A, pages 14 -- or 44 to 45.

The business operations questionnaire, dated August 12th, 2021, completed by Shah Abbas's accountant, Mr. Ordonez, states that tax was included in the business's sales; Exhibit A, page 42. An affidavit of Mr. David Behdad, a Shah Abbas customer, dated August 2nd, 2021, indicated that he was charged sales tax reimbursement; Exhibit A, page 44; and a Yelp review from a customer dated May 7th, 2014, stated that they were charged an amount plus tax for their food purchases; Exhibit A, page 40. Also, during the liability period, Shah Abbas was reporting taxable sales and making sporadic payments. See Exhibits D and N. Based on this evidence, the second element is satisfied.

As to the third element, whether Appellant was a responsible person, the evidence shows that prior to and throughout the liability period, Appellant was an officer

of Shah Abbas Corporation who had control, supervision of, and the responsibility for the filing of returns or the payment of tax and had the duty to act for the corporation in complying with the sales and use tax law. See section 6829(b) and Regulation 1702.5(b)(1). Appellant is identified as Shah Abbas's secretary on its Secretary of State filing dated January 5th, 2018, and signed Shah Abbahs's City of Los Angeles 2019 business license records as president and manager; Exhibit A, pages 21 and 39.

The evidence shows Appellant engaged in multiple discussions with the Department regarding the corporation's tax liabilities before and during the liability period, including making multiple visits to a department field office to handle sales and use tax matters, deliver payment, and hand file a sales and use tax return; Exhibit L at pages 3 to 6, 8 to 9, and Exhibit N.

The evidence also contains summaries of conversations between Appellant and the Department regarding Shah Abbas's outstanding tax liabilities, including on September 21st, 2009, in which Appellant stated that she was responsible for the corporation; Exhibit L, page 4; on April 22nd, 2010, in which Appellant stated that she handles taxes for her dad and discussed the current account balance; Exhibit L, page 7; on

February 27th and March 3rd, 2015, in which Appellant contacted the Department to discuss tax matters; Exhibit L, pages 11 to 12; on March 24th, 2015, in which Appellant identified herself as the only corporate officer and the person with check signing authority and discussed the filing of sales and use tax returns and the payment of tax; Exhibit L, page 13; on March 26th, 2015, in which the Department requested Appellant submit documentation to confirm her status as a corporate officer, as that was how she identified herself in conversations; Exhibit L, page 13; on April 2nd, 2015, in which Appellant discussed the payment of outstanding liabilities; Exhibit L, page 15; on February 7th, 2018, in which Appellant spoke to the Department on behalf of Shah Abbas during the audit and told the Department that Farshad Frank Javanshir, who is listed on the business's Secretary of State filings, was no longer an officer, and Appellant managed and helped run the restaurant; Exhibit A, page 40.

These statements are supported by other documented conversations. According to Department records, Appellant's father, Ahman Massoud, originally owned the business and was listed as president on the seller's permit application; Exhibit A, page 19 and Exhibit M. Several times throughout the liability period, Mr. Massoud told the Department that Appellant was

responsible for business operations, including on February 25th, 2015, when Mr. Massoud stated he had not run the business in five years and instead it was run by Appellant, his daughter, Exhibit L, page 10; on August 2nd, 2016, when Mr. Massoud told the Department that it was Appellant's job to follow up on the filing of the business's sales and use tax returns; Exhibit L, page 16; on June 12th, 2019, when he directed the Department to speak to Appellant regarding sales and use tax matters, Exhibit L, page 21.

Appellant was also identified by several employees as the person who managed Shah Abbas's business affairs, including on June 6th, 2019, when she was identified as the person who managed the business; Exhibit L, page 20; on August 1st, 2019, in which she was identified as the owner and manager; Exhibit L, page 23; and on August 16th, 2021, in which Appellant was named as one of the two parties who handled the business's financial matters and sales tax compliance by the bookkeeper Mr. Ordonez; Exhibit A, page 22. Thus, the evidence shows Appellant was charged with the responsibility for the restaurant's sales and use tax matters and had a duty to act for the corporation in complying with tax laws.

Appellant has argued that Mr. Javanshir was

actually in charge of the business. However, regardless of Mr. Javanshir's involvement, the evidence shows that Appellant was a responsible person during the liability period. Furthermore, according to Appellant, Mr. Javanshir was removed as a corporate officer during the period and Appellant continued to remain involved in the corporation's sales and use tax matters. Therefore, the third element is also satisfied.

As to the fourth element of personal liability, the evidence shows that Appellant's failure to pay Shah Abbas's tax liabilities was willful. Failure to pay is willful if the person had knowledge that the taxes were not being paid -- were due and not being paid, had the authority and ability to pay the taxes but failed to do so. Failure to pay may be willful even without bad purpose or motivation; Regulation 1702.5(b)(2). As to Appellant's authority, Appellant had the authority to direct the financial affairs of the corporation, including the authority to pay taxes. Appellant was one of two active corporate officers in a small closely held corporation. As already established, Appellant was a person responsible for Shah Abbas's sales and use tax matters, and there is no documentary evidence indicating her authority was limited.

The evidence shows that prior to and during the

liability period at issue, Appellant contacted and/or communicated with the Department on at least 13 documented occasions, five of which were during the liability period regarding Shah Abbas's sales and use tax matters, including her physical delivery of payments for outstanding liabilities; Exhibit L, pages 1 through 8 and 9 -- oh, 1through 14. During many of these conversations, Appellant either directly claimed to have authority over Shah Abbas's financial matters or discussed the liabilities in a way that demonstrated she had authority to direct payments. Never did the Appellant state or even indicate she had to get permission to pay.

For example, Appellant told the Department she was responsible for the corporation and attempted to setup a payment plan for Shah Abbas's outstanding liabilities; Exhibit L, page 4. On another occasion, Appellant said she handled taxes for her dad and discussed the current account balance; Exhibit L, page 7. On March 24th, 2015, Appellant informed the Department that she was the only corporate officer; Exhibit L, page 13. On March 26th, 2015, Appellant told the Department she had check signing authority for Shah Abbas, and there are 627 checks in the record with her signature, dating from January 10, 2016, through August 10th, 2019; Exhibit L page 14 and Exhibit O.

Appellant claims that she needed permission from Mr. Javanshir to sign the checks. However, there's no documentary evidence confirming this claim. For example, Appellant states that she would need to ask for permission referencing using text or emails to do so. However, Appellant has not presented any copies of such to support her claims. Furthermore, other evidence such as Appellant's actions and representations to the Department in documented conversations contradict those statements. Thus, on/or before the taxes became due, the evidence shows Appellant had the authority to pay the taxes or cause them to be paid.

As for knowledge, here, Shah Abbas's tax liabilities were based on one, Department assessed taxes resulting from an audit for the period of October 1st, 2014, through September 30th, 2017, Exhibit C; two, self-assessed taxes from non-remittance returns for the period of October 1st, 2017, through March 31st, 2019, Exhibit D; and three, the Department's compliance assessment for part of third quarter '19, July 1st, 2019, through August 12th, 2019; Exhibit F. We will take each of these in turn.

As for the audit liabilities spanning fourth quarter 2014 to third quarter 2017, as determined in the Notices of Determination dated October 2nd and 4th 2018,

those became final on November 2nd and 3rd 2018; Exhibit C. During this liability period, Appellant participated in the business's sales and use tax matters as cataloged in discussions between Appellant and Department staff in 2015 on March 3rd, 24th, 26th, and April 2nd; Exhibit L, pages 12 to 14. For example, during the April 12th -- April 2nd, 2015, phone call, Appellant asked to confirm whether Shah Abbas's tax liabilities had been paid and was informed that they were continuing liabilities; Exhibit L, page 15.

Appellant also engaged in audit discussions with the Department on February 7th, 2018, which is evidence that Appellant was involved in sales and use tax matters through the end of the audit. And Appellant's involvement in the audit is evidence that she had actual knowledge of Shah Abbas's underreporting during the audit period; Exhibit A, pages 39 to 40. The liabilities for the non-remittance returns spanning fourth quarter 2017 to first quarter 2019 became due on the dates that the returns were due on/or before the last day of the month following each quarterly period. Those dates were January 31st, 2018, for fourth quarter 2017, and April 30th, 2018, for first quarter 2018, July 31st, 2018, for second quarter 2018, October 31st, 2018, for third quarter 2018, January 31st, 2019, for fourth quarter 2018,

and April 30th, 2019, for first quarter 2019.

Shah Abbas late filed non-remittance returns on April 17th, 2018, for fourth quarter 2017 and on July 2nd, 2019, for first quarter 2018 through first quarter 2019. The evidence shows Appellant was aware of the filing deadlines for sales and use tax returns as she was directly informed of them by the Department staff prior to this period in a conversation on April 22nd, 2010; Exhibit, L, page 7. During the liability period, the Department left Appellant numerous messages both on her voicemail and with employees for her attention regarding the business's account balance and delinquent returns, including on November 3rd, 2017, and on June 6th, 12th, 17th, 2019 and August 1st, 2019: Exhibit L, pages 17 and 20 to 23. The Department also emailed Appellant on March 20th, 2018, and July 10th, 2018, informing her of outstanding balances and delinquent returns; Exhibit L, pages 18 to 19.

Given Appellant's authority to pay the sales tax liabilities, the evidence shows that Appellant was aware that the returns were due and that the business finally filed them without remittance. Thus, the evidence supports a finding that Appellant had knowledge of tax -- the tax liabilities were due but not being paid as of the dates the returns became due.

Finally, for the partial third quarter 2019 period of July 1st, 2019, through August 12th, 2019, Shah Abbas did not file a closeout sales and use tax return or pay any taxes. As a result, the Department estimated the business's tax liability for this period and issued a Notice of Determination to Shah Abbas dated February 24th, 2021; Exhibit F. While the Department was not in documented contact with Appellant during these six weeks, Appellant had been involved in Shah Abbas's sales and use tax matters, and there's no evidence demonstrating that she ceased involvement -- no documentary evidence demonstrating she ceased involvement. The evidence includes discussions occurring in the month directly before this period, June 2019, with Appellant's father, Mr. Massoud, and Shah Abbas employees who stated Appellant was the owner of the business and the contact person for sales and use tax matters; Exhibit L, pages 20 to 23.

Furthermore, Appellant continued signing checks from the business account during this period totaling around $4,000; Exhibit O, pages 615 to 628. This evidence supports a finding that Appellant continued to be involved in Shah Abbas's sales and use tax matters during this period. Thus, the evidence shows Appellant had actual knowledge that taxes were due and not being paid.

As to the ability to pay the taxes, the evidence

shows that Shah Abbas had funds available to pay the taxes throughout the liability period. As we're already noted, Shah Abbas charged and collected sales tax reimbursement on its sales as a standard business practice during the liability period; Exhibit A, pages 10, 21, and 48 to 45. Therefore, Shah Abbas had those funds available to pay the tax liability but instead used those funds for other purposes. In addition to the collected sales tax reimbursement, the evidence shows Shah Abbas had other available funds. In fourth quarter 2014 alone, Shah Abbas reported 100 -- $199,840 in cost of goods sold and $32,773 in utilities on its state income tax return; Exhibit A, pages 47 to 49. Shah Abbas's third-party networks reported over $299,000 in payments received by Shah Abbas throughout the liability period via a Form 1099-K; Exhibit A, page 48.

In addition, Shah Abbas had bank deposits totaling over $1.4 million throughout the liability period; Exhibit A, pages 50 to 51, and the check signed by Appellant between 2016 to 2019 totaled over $181,000; Exhibit O. Thus, the evidence shows that there were available funds such that Appellant had the ability to pay Shah Abbas's tax liabilities, but the funds were used to pay other creditors instead.

In sum, Shah Abbas collected tax reimbursement

throughout the liability period, and the business was terminated. Appellant was the person responsible for Shah Abbas's sales and use tax obligations, and Appellant's failure to pay was willful, meaning Appellant had actual knowledge that the taxes were due and not being paid and had the authority and ability to pay the taxes but failed to do so.

Based on all the evidence provided, the Department has met its burden of proving all elements for imposing personal liability on Appellant. For these reasons, we request the appeal be denied.

Thank you.

JUDGE LONG: Thank you.

Judge Kim, do you have any questions for CDTFA?

JUDGE KIM: No, I don't have any questions. Thank you.

JUDGE LONG: Judge Le, do you have any questions for CDTFA?

JUDGE LE: No questions. Thank you.

JUDGE LONG: Thank you.

All right. Then I believe we're ready to move forward to Appellant's closing statement.

Mr. Zandi, you requested 15 minutes, and you may begin when ready.

MR. ZANDI: Thank you, Your Honor. May we have a

quick two-minute break?

JUDGE LONG: Yes. We will go off the record and we will come back at 11:11.

MR. ZANDI: Thank you.

(There is a pause in the proceedings.)

JUDGE LONG: Okay. We are reopening the record, and you have 15 minutes, and you may begin when ready.

MR. ZANDI: Thank you, Your Honor.

CLOSING STATEMENT

MR. ZANDI: I'd like to first address one of the statements that the CDTFA made. They said the Statement of Information shows Monica Massoud as the sole officer. Referencing again Exhibit 1, as we stated in our opening statement as well, and this is clearly shown from Exhibit 1; the Statement of Information actually shows the exact opposite of that that she is not an officer. As we stated before, there is the State of California Secretary of State. They have the Statement of Information form. There's a check box that can be checked that says no change statement. This no change statement says if there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State or no Statement of Information has been previously filed, this form must be completed in its

entirety. The form was not completed because there was a prior form, and this check box says if there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to No. 17. That box is checked signifying that there's no change.

That previous Statement of Information shows that the only corporate officer of this entity holding the titles of chief executive officer, secretary, and chief financial officer was Farshad Javanshir, AKA Frank Javanshir. There is nothing in the Statement of Information that showed Monica Massoud as a corporate officer despite the CDTFA saying it showed her as the only -- it shows her -- it shows her quite the opposite that she is not a corporate officer. That's the first point that we wanted to discuss.

Furthermore, some of these in reference to some of the exhibits, conversations that were -- conversations that are discussed in Exhibit L, referencing some of these notes, some of these notes again, none of these witnesses have been called in to testify. They may be admissible, but they're -- the weight is we have witnesses here that are testifying about control, about whether or not Monica Massoud had the ability to make payments. And so, we still ask the question, where is the evidence that Monica

Massoud could independently decide I am paying CDTFA today rather than payroll, rent, vendors or entertainers?

We have shown, supported by witness testimony, supported by the evidence as well that Monica Massoud does not have control to actually make the decision to make a payment. She had to ask Frank Javanshir for permission to make every single payment. Some of these statements in Exhibit L, some of them seem to be even before the liability period, 2009, 2009, 2009, these are all -- I'm just going through Exhibit L here -- multiple hearsay statements between the dad. All are falling before the liability period. We -- some forms were brought up where Monica Massoud is -- they're not from the California Secretary of State the Statement of Information which showed that she's not an officer. Some forms seem to list her as the president. However, actually testified she did everything under the control and direction of Frank Javanshir. When Frank Javanshir was not available, he directed Monica Massoud to fill out forms that were necessary. None of these forms that were mentioned, none of these pieces of evidence that were discussed actually show that Monica Massoud had control and independent authority to make a payment.

The Bank of America document -- there's a Bank of America document in Exhibit O from the Department's

exhibits. The last page of Exhibit O shows Farshad Javanshir, he is president. Monica Massoud is just a signer. That again, does not show that Monica Massoud had independent authority without Frank Javanshir's permission to make a payment.

Some of these statements on these notes that the Department mentioned that they discussed, they mentioned discussions. Again, we saw no attempt to -- we -- or perhaps there was an attempt. We don't understand why none of these people are here to testify, Jose or Dennis. We were able to call him ourselves and speak with him on the phone. But he has a bookkeeping office in the valley in Los Angeles. Monica Massoud's father, Frank Javanshir, the auditors that work for the CDTFA, there are multiple people that we -- we believe, if the CDTFA has these statements that were written and are unsworn to, they could have been here today to swear in as we did and testify to them and so that Monica Massoud could have the proper due process as well to cross -- to cross-examine them.

One of the statements that was brought up from 2010, which is the year before the liability period, that the father said or somebody said, "Handles taxes for her dad." Somebody stated that Monica handles taxes for her dad. Well, what does that mean "handles taxes for her

dad?" Handles taxes is consistent with someone performing an administrative function. It could mean filing them. It could mean just coordinating with the owner about them. It still does not prove that Monica Massoud had the independent authority to make these payments to remit these payments.

We'd like to just go through some of the other points. Mr. Ordonez was referred to. We were not able to communicate with them ourselves. This person is not here to testify. I'd like to cross-reference a case. It's not binding but I believe it could be some persuasive authority, the Appeal of Drori 2020-OTA-087. The CDTFA --

JUDGE LONG: Mr. Zandi, I'm sorry to interrupt. But can you spell the name of the appeal for me so that we can get it on the transcript.

MR. ZANDI: Yes. Drori, is D-r-o-r-i.

JUDGE LONG: Thank you.

MR. ZANDI: So, in this case the OTA was dealing with the same 6829 responsible person statute. And the OTA expressly described that unsworn statements obtained by the CDTFA -- by the CDTFA from corporate personnel were hearsay. And they noted that while they could be admitted that they lacked cooperation, and they can be contradicted by more persuasive evidence. In that case, the OTA gave these cases of evidence less weight. We've had testimony

now from multiple people that have worked at this restaurant, from Monica Massoud herself that shows that Monica Massoud did not have this authority to make payments, that she had to ask Frank Javanshir for permission on every single payment that she made, that she was under the direction of this person.

Mr. Ordonez, why is he not here present today? We were not able to communicate with him. He had -- from our understanding, he had a language gap. So, these notes that were taken there is nothing that -- that describes what -- was the communication in Spanish? Was the communication in English? Exactly what question was asked? Was it properly explained to Mr. Ordonez what a responsible person means? Did Monica Massoud have the independent authority to pay the CDTFA taxes? There is no evidence from that from the CDTFA.

We'd like to mention as well regarding the CDTFA's case of, you know, it seems like there's a stash of evidence, and the CDTFA is attempting to just draw their own inferences from this. But this -- the CDTFA -- the CDTFA counsel can try to say these checks establish control, but the CDTFA counsel did not work at Shah Abbas. They did not observe the approval process. They did not have firsthand knowledge that Monica could pay creditors without Frank's permission. And yet again, there's no

testimony from anyone that contradicts -- there's no sworn testimony from anyone that contradicts that that Monica can make any payments without getting the permission of Frank.

So, in closing, I'd like to just also again stress where is the evidence that Monica could independently decide that she could make any of these payments? Everything that we've shown -- everything that we've shown from our side shows that Monica was not able to make these payments. We've shown these exhibits, the CDTFA themselves saying that it shows she's the sole corporate officer actually shows the exact opposite that she was not a corporate officer. The Statement of Information says that from 2008; and again, by the 2018 no change statement was signed and filed.

Looking at Exhibit 4, as far as control goes, Frank Javanshir pretty much just changed the label of this restaurant, changed the name, kept the same place, kept the same lease. If Monica Massoud had any control to make payments, why didn't she pay herself? Why was she working at this restaurant? She could have easily just paid herself. If she had the control, why couldn't she at least pay her -- pay her own wages? If she had control over the restaurant, how come she did not have a say in this restaurant? Changing the label, just changing the

name, operating in the same location potentially with the same tables, the same furniture, and where was Monica's participation in that subsequent restaurant? This again shows furthermore that Monica did not have any financial control independently of Frank Javanshir.

Lastly, we'd like to also reference Exhibit 5. It's our declaration of the -- declaration of myself. The CDTFA with their power and authority, with all these issues that we raise, with the amount that is at stake here, with the possibility that an innocent woman who does not have the financial means is -- is potentially going to be left with the sales tax that is not her -- that was never her responsibility. That she never had the ability to pay. That she was under the control of this owner that was directing her what to do, how to operate the business, and what to pay especially that -- that with all these concerns and considering the large liability amount, there was no attempt to visit this restaurant. I myself had the ability to simply go. It's -- it's in the center of Los Angeles. It's not -- it's not in a remote area. I went there myself even before I met Monica Massoud, and I saw -- I saw Frank Javanshir was there.

We had the ability to do a reaudit to ask additional questions from Frank, to ask additional questions perhaps from her father, from Jose Ordonez.

None of these resources of the CDTFA, which is I believe there's a high level of resources that the CDTFA has. None of this was used to conduct a reaudit. We don't have any of these witnesses appearing here today, and we have tried our best to show with all the evidence available that Monica Massoud did not have the power to make these payments.

And we have an unfortunate situation of this person who abuse this power, kept this restaurant running, change the name, started a new corporation, and we're -- we're not aware of what his negotiations with the CDTFA were. But we believe now this person is unfairly hoisting this liability on Monica Massoud, something that she had no power at all ever to make payments for without getting the permission of this person Frank Javanshir.

Thank you.

JUDGE LONG: Thank you.

Before we conclude, I just want to -- I do have one final question for CDTFA regarding the Secretary of State form. Is there -- is there any dispute that Mr. Javanshir is listed as the only corporate officer on -- on those documents?

MS. JACOBS: I'm actually glad that Mr. Zandi brought that up. That was a misstatement on our part. So, it does appear that she -- I mean, she's listed. We

believe SEC would be secretary. So, there is some dispute as to whether she was a secretary of the corporation given that she signed it as a secretary, even though we do note that it says there was no change. So, that is something that is confusing.

However, we also coupled that with -- or not coupled, but we would like to point out that there was a conversation with Appellant to the -- and the Department on February 7th, 2018, in which she told the Department that Mr. Javanshir was no longer with the company. That's Exhibit A, page 40. So, it's unclear.

JUDGE LONG: Okay. Thank you.

MR. ZANDI: May I --

JUDGE LONG: Mr. Zandi -- yes, go ahead.

MR. ZANDI: Just so we could pull up that same exhibit, is that -- I'm sorry. Is that Exhibit A? Page 40 of Exhibit A?

MS. JACOBS: Correct.

MR. ZANDI: Exhibit A, page 40, I see a Yelp review. Or page 40 of exhibit -- because I want to actually specifically address that point as well.

JUDGE KIM: It looks like page --

MS. JACOBS: Let me find the PDF.

JUDGE KIM: Page 39 of Exhibit A. Is that the one your referring to?

JUDGE LONG: The March 7th, 2018, discussion towards the bottom of the page there.

MR. ZANDI: I'm on page 39 of March -- I'm sorry.

JUDGE LONG: February 7th, 2018, it's page 56 of the exhibit binder.

MR. ZANDI: Received call from Monica Massoud who stated her direct number as -- is -- is this the comment that's being referred to?

MS. JACOBS: Sorry. I'm looking for the PDF page, and I just want to make sure I'm getting it correct. That is correct. It's PDF page 56, but Exhibit A, page 39.

MR. ZANDI: Fifty-six. Thank you.

MS. JACOBS: It says about in the middle she -- she stated that Mr. Javanshir is no longer an officer.

MR. ZANDI: It also says she manages and helps run the restaurant. A Statement of Information was filed just a month before in 2018 that shows that Frank Javanshir was the only officer. These are again, hearsay statements. We have live witness testimony from Monica Massoud. Frank Javanshir, he had the ability to open a new restaurant. It takes a lot of money to open a new restaurant. Well, actually, in his case maybe not so much because he just swapped the name. He probably already had everything he needed, but it takes some administrative

effort. It takes getting permits and licenses.

Frank Javanshir, I don't see any evidence here that shows an updated Statement of Information from Frank Javanshir that takes him off the authority of being listed as a corporate officer. The only thing that's on file from the California Secretary of State is Frank Javanshir sole corporate officer and no change statement. That again confirms that he was the sole corporate officer. Nothing contradicts that. This is a hearsay statement. We don't know what the exact discussion was. We don't know if Monica had a misunderstanding exactly what she said. We have her here to testify today.

JUDGE LONG: Okay. Thank you. Mr. Zandi, does that conclude your presentation?

MR. ZANDI: Yes, it does.

JUDGE LONG: Thank you.

All right. Then just one last check in with our co-panelists.

Judge Kim, do you have any questions before we conclude?

JUDGE KIM: No, I don't have any more questions. Thank you.

JUDGE LONG: Thank you.

And, Judge Le, do you have any questions before we conclude?

JUDGE LE: No questions. Thank you to both parties.

JUDGE LONG: All right. Thank you.

Ms. Massoud, thank you for your testimony today.

MS. MASSOUD: Thank you.

JUDGE LONG: I know these could be stressful situations. I appreciate you coming in.

We are ready to conclude today's hearing. The record is closed. The panel will meet and decide this appeal and an opinion will be issued within 100 days.

Today's oral hearing is concluded, and we will be resuming at 1:00 p.m.

Thank you.

(Proceedings concluded at 11:31 a.m.)

HEARING REPORTER'S CERTIFICATE

I, Ernalyn M. Alonzo, Hearing Reporter in and for the State of California, do hereby certify:

That the foregoing transcript of proceedings was taken before me at the time and place set forth, that the testimony and proceedings were reported stenographically by me and later transcribed by computer-aided transcription under my direction and supervision, that the foregoing is a true record of the testimony and proceedings taken at that time.

I further certify that I am in no way interested in the outcome of said action.

I have hereunto subscribed my name this 23rd day of September, 2026.

_____

ERNALYN M. ALONZO
HEARING REPORTER